

against the proposition: "The constitutional amendment to revise the provisions for the filling of a vacancy in the office of governor or lieutenant governor."

Passed by the House on April 29, 1999: Yeas 143, Nays 0, 1 present, not voting; passed by the Senate on May 19, 1999: Yeas 28, Nays 1.

Filed with the Secretary of State May 21, 1999.

H.J.R. No. 58

A JOINT RESOLUTION

proposing a constitutional amendment relating to the investment of the permanent university fund and to distributions from that fund to the available university fund.

BE IT RESOLVED BY THE Legislature of the State of Texas:

SECTION 1. Section 11b, Article VII, Texas Constitution, is amended to read as follows:

Sec. 11b. Notwithstanding any other provision of this constitution, in managing the assets of the permanent university fund, the Board of Regents of The University of Texas System may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment, including investments in the Texas growth fund created by Article XVI, Section 70, of this constitution, that *prudent investors, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment [persons of ordinary prudence, discretion, and intelligence, exercising the judgment and care under the circumstances then prevailing, acquire or retain for their own account in the management of their affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. This section does not affect the custodial responsibilities of the comptroller of public accounts for public funds, securities, and other evidences of investment].*

SECTION 2. Section 18, Article VII, Texas Constitution, is amended by amending Subsection (e) and adding Subsection (f) to read as follows:

(e) The available university fund consists of the *distributions made to it from the total return on all investment assets of [dividends, interest and other income from] the permanent university fund, [(less administrative expenses)] including the net income attributable to the surface of permanent university fund land. The amount of any distributions to the available university fund shall be determined by the board of regents of The University of Texas System in a manner intended to provide the available university fund with a stable and predictable stream of annual distributions and to maintain over time the purchasing power of permanent university fund investments and annual distributions to the available university fund. The amount distributed to the available university fund in a fiscal year must be not less than the amount needed to pay the principal and interest due and owing in that fiscal year on bonds and notes issued under this section. If the purchasing power of permanent university fund investments for any rolling 10-year period is not preserved, the board may not increase annual distributions to the available university fund until the purchasing power of the permanent university fund investments is restored, except as necessary to pay the principal and interest due and owing on bonds and notes issued under this section. An annual distribution made by the board to the available university fund during any fiscal year may not exceed an amount equal to seven percent of the average net fair market value of permanent university fund investment assets as determined by the board, except as necessary to pay any principal and interest due and owing on bonds issued under this section. The expenses of managing permanent university fund land and investments shall be paid by the permanent university fund.*

(f) Out of one-third of the *annual distribution from the permanent university fund to the available university fund*, there shall be appropriated an annual sum sufficient to pay the principal and interest due on the bonds and notes issued by the Board of Regents of The Texas A&M University System under this section and prior law, and the remainder of that one-third of the *annual distribution to the available university fund* shall be appropriated to the Board of Regents of The Texas A&M University System, which shall have the authority and duty in turn to appropriate an equitable portion of the same for the support and maintenance of The Texas A&M University System administration, Texas A&M University, and Prairie View A&M University. The Board of Regents of The Texas A&M University System, in making just and equitable appropriations to Texas A&M University and Prairie View A&M University, shall exercise its discretion with due regard to such criteria as the board may deem appropriate from year to year~~[-taking into account all amounts appropriated from Subsection (f) of this section]~~. Out of the other two-thirds of the *annual distribution from the permanent university fund to the available university fund* there shall be appropriated an annual sum sufficient to pay the principal and interest due on the bonds and notes issued by the Board of Regents of The University of Texas System under this section and prior law, and the remainder of such two-thirds of the *annual distribution to the available university fund*, shall be appropriated for the support and maintenance of The University of Texas at Austin and The University of Texas System administration.

SECTION 3. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) The amendment of Section 18, Article VII, of this constitution adopted in 1999 does not impair any obligation created by the issuance of bonds or notes in accordance with that section before January 1, 2000, and all outstanding bonds and notes validly issued under that section remain valid, enforceable, and binding and shall be paid in full, both principal and interest, in accordance with their terms and from the sources pledged to their payment. In order to ensure that the amendment of that section does not impair any obligation created by the issuance of those bonds and notes, there shall be distributed from the income, investment returns, or other assets of the permanent university fund to the available university fund during each fiscal year an amount at least equal to the amount necessary to pay the principal and interest due and owing during the fiscal year on those bonds and notes.

(b) This section expires January 1, 2030.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 1999. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment relating to the investment of the permanent university fund and the distribution from the permanent university fund to the available university fund."

Passed by the House on May 3, 1999: Yeas 143, Nays 0, 1 present, not voting; passed by the Senate on May 13, 1999: Yeas 30, Nays 0.

Filed with the Secretary of State May 14, 1999.

H.J.R. No. 62

A JOINT RESOLUTION

proposing a constitutional amendment to eliminate duplicative, executed, obsolete, archaic, and ineffective constitutional provisions.

BE IT RESOLVED BY THE Legislature of the State of Texas:

SECTION 1. Section 2, Article III, Texas Constitution, is amended to read as follows:

Sec. 2. The Senate shall consist of thirty-one members~~[-and shall never be increased above this number]~~. The House of Representatives shall consist of 150 ~~[ninety-three]~~